

Message Text

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60

ACTION ARA-10

INFO OCT-01 ISO-00 L-02 H-01 AID-05 CIAE-00 COME-00 EB-04

FRB-01 INR-05 NSAE-00 RSC-01 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-01 SIL-01 OMB-01 NSC-05 SS-15

STR-01 CEA-01 PA-01 PRS-01 USIA-06 /071 W

----- 041845

R 082000Z NOV 74

FM AMCONSUL SAO PAULO

TO SECSTATE WASHDC 5724

INFO AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

LIMITED OFFICIAL USE SAO PAULO 2476

E.O. 11652: N/A

TAGS: EFIN, BR

SUBJECT: US BANK ESTIMATES WORSENING BRAZILIAN BALANCE OF
PAYMENTS POSITION

REF: BRASILIA 8459

1. FIRST BANK OF BOSTON EXECUTIVE CONFIDENTIALLY INFORMED CONSUL GENERAL ON NOVEMBER 8 THAT THEIR CHIEF ECONOMIST NOW ESTIMATING CURRENT BRAZILIAN RESERVES AT FOUR RPT FOUR BILLION DOLLARS AND BELIEVES THESE ARE BEING DRAWN AT RATE OF 500 MILLION A MONTH FOR YEAR-END BALANCE OF THREE RPT THREE BILLION.

2. THIS ESTIMATE OF THE STATE OF AFFAIRS WOULD SEEM CONSISTENT WITH GLOOMY OUTLOOK EXPRESSED HERE TODAY BY CONTINENTAL ILLINOIS NATIONAL BANK PRESIDENT JOHN H. PERKINS DURING LUNCHEON MEETING WITH SAO PAULO BANKING COMMUNITY ATTENDED BY OFFICERS OF CONGEN. PERKINS EXPRESSED VIEW THAT RECENT MEASURES BY BANK OF BRAZIL AND GOB TO ATTRACT FOREIGN CAPITAL ARE DOOMED TO FAILURE, AND HE DOUBTS THAT THE SITUATION WOULD IMPROVE SIGNIFICANTLY EVEN IF BRAZIL WERE TO LOWER MINIMUM PERIOD FOR INDUCTION OF FUNDS TO TWO YEARS. HE
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DID NOT, HOWEVER, SPECULATE ON BRAZIL'S YEAR-END RESERVE POSITION.

3. PERKINS VIEW THAT EVEN TWO YEAR TEMRS WOULD FAIL TO ATTRACT
SIGNIFICANT NEW FUNDS WAS VOICED BY OTER SAO PAULO FINANCIAL
SOURCES QUOTED IN GAZETA MERCANTIL ARTICLE SUMMARIZED IN TELEGRAM
UNDER REFERENCE.
CHAPIN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BALANCE OF PAYMENTS DATA, MEETINGS, FOREIGN POLICY POSITION, ECONOMIC ESTIMATES
Control Number: n/a
Copy: SINGLE
Draft Date: 08 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
Film Number: D740322-0803
From: SAO PAULO
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Review Exemptions: n/a
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Review Markings:

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30 JUN 2005

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TAGS: EFIN, BR, US, FIRST BANK OF BOSTON, (PERKINS, JOHN H)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005